LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

301 State House (317) 232-9855

FISCAL IMPACT STATEMENT

LS 6716 DATE PREPARED: Dec 13, 1998

BILL NUMBER: SB 164 BILL AMENDED:

SUBJECT: Child support emancipation.

FISCAL ANALYST: Ron Sobecki **PHONE NUMBER:** 232-9854

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

 $\overline{\underline{X}}$ DEDICATED FEDERAL

<u>Summary of Legislation:</u> This bill provides that a child is emancipated if a court finds that the child has reported for active duty in the United States Armed Services unless the child will be returning to school after reporting for active duty for basic training or advanced individual training. (Current law provides that a child is emancipated if a court finds that the child has joined the United States armed services.) The bill makes other changes to provide the same criteria for emancipation in paternity cases as are currently allowed in dissolution of marriage cases.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill has two provisions that could effect the level of child support obligations. These provisions could impact state and local governments in two ways, although the impact would be very small. The first provision adds an additional exception to current state law that emancipates a child at age 21. The bill provides that a child is emancipated at age eighteen under the following conditions: (1) the child has not attended a secondary or postsecondary school for the past four months; (2) the child is not enrolled in a secondary or postsecondary school; and (3) the child is capable of supporting himself/herself through employment. This provision granting emancipation would eliminate child support of the custodial parent under the above conditions.

The second provision provides that a child is emancipated when the court finds the child has reported for active duty in the United States Armed Services unless the child is returning to school after reporting for active duty for basic training or advanced individual training. Current state law states the child is emancipated if the court finds the child has joined the United States armed services. This provision would extend the period of child support obligations.

To the extent that these provisions effect child support payments at certain marginal levels of income, some custodial families may be more likely to go on or come off the Temporary Assistance to Needy Families

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(TAN) program. The TAN program is a cost shared program with the federal, state and county governments. TAN eligibility also implies eligibility for Medicaid (shared 61.01% by the federal government and 38.99% by the state).

Secondly, to the extent that these actions lead to an increased or decreased recovery of child support payments by the state when payments have been assigned to the state by application for assistance under TAN, there could be an impact on federal, state, and local governments.

Explanation of State Revenues:

Explanation of Local Expenditures: See State Expenditures.

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources:

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